

REMARKS

Applicants previously presented claims 1 through 35 for examination. In the above-identified Office Action, all of the claims were rejected. These rejections are fully traversed below. By this Amendment, Applicants have amended claims 1, 2, 4, 6, 10-13, 15, 17, 19-23, 25, 27-29, 31, 32 and 34; cancelled claim 33; and added claim 36. Accordingly, claims 1-32 and 34-36 are pending. Reconsideration is respectfully requested based on the following remarks.

Information Disclosure Statement

On February 2, 2004 Applicants filed (mailed January 27, 2004) an Information Disclosure Statement with the U.S. Patent and Trademark Office for the above-identified application. It is respectfully requested that the Examiner return to Applicants an initialed version of the Form PTO-1449 that accompanied the Information Disclosure Statement so as to indicate consideration of same.

102(e) and 103 Rejection Based on Walker

Claims 1-13, 15-19, 23-29 and 33 were rejected under 35 U.S.C. 102(e) as being anticipated by U.S. Patent No. 6,324,520 to Walker et al. (hereinafter referred to as "Walker"). Claims 20 and 30 were rejected under 35 U.S.C. 103(a) as being unpatentable over Walker. Applicants respectfully disagree with these rejections.

In general, Walker is on a dispensing device, such as a vending machine, that can "monitor product demand and consumer traffic that passes by the machine. The dispensing device collects and analyzes product demand data to determine optimal product stocking, to offer products to undecided consumers and to offer substitute products when a selected product is out of stock."¹

The term, dispensing device, is specifically defined in Walker. It is "[a]ny device or machine capable of receiving an amount of money and outputting one or more products."² Also, "[f]ig. 1 displays a schematic block diagram of dispensing device 100

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² Col. 3, lines 59-63

and its components.”³ Though “a stand-alone dispensing device has been described in the preferred embodiment, it is contemplated that the dispensing machine may be a networked device with the ability to store data either locally or at an alternate, networked location.”⁴.

When a selected product is out of stock in the dispensing device, Walker describes techniques to provide a substitute. “The substitute product to be offered may be operator-selected or may be determined by the dispensing device 100 after an analysis of demand data has been performed. For example, CPU 101 may be programmed to track and store which product is most often selected after an initially selected product is identified as being unavailable. In one embodiment, a product identifier corresponding to the most often alternately-selected product may then be stored as a substitute product in substitute product identifier field 311. Other criteria may be employed in programming the device to determine a substitute product. These criteria may include: which product has been stocked most recently (as may be determined by examining stock date field 409); which product is due to be restocked at the earliest date (as may be determined from restock date field 411); or which product will expire at the earliest date (as may be determined from product expiration date field 413).”⁵

Claim 1, on the other hand, pertains to a method for effecting, via a computer network, substitution of at least one ordered item of at least one customer order. Among other things, claim 1 recites “receiving, via the computer network, at least one customer order, said at least one customer order including at least one ordered item relating to an ordered quantity of a particular item of inventory” (claim 1, lines 4-6). Claims 15, 23 and 29 recite same or similar limitations. Nothing in Walker teaches or suggests that a customer order is received via a computer network. In contrast, Walker teaches against remote interaction by a customer. Namely, in Walker, the customer interacts directly with a dispensing device, such as a vending machine, that offers products. Hence, Walker fails to teach or suggest receiving a customer order via a computer network.

Further, Walker describes a dispensing machine that enables a customer to pay for and receive a product. In contrast, Applicants’ independent claims 1, 15, 23 and 29 make

³ Col. 4, lines 40-41

⁴ Col. 13, lines 20-24

use of a customer order that includes more than one item, where each item can have a quantity greater than one.

Regarding substitution, Walker's decision process is based solely on information regarding one product. However, with respect to Applicants' independent claims 1, 15, 23 and 29, in determining whether an item has been oversold, more than one customer order is analyzed, while at least one item in each of those customer orders has not been delivered to the corresponding customer. Then, based on the analysis, a substitute item is substituted for the oversold item in at least one customer order. Hence, Walker also fails to teach or suggest the substitution recited in claims 1, 15, 23 and 29.

Accordingly, claims 1, 15, 23 and 29 are patentably distinct from Walker. Similarly, dependent claims 2-14, 16-22, 24-28 and 30-32, which respectively depend from claims 1, 15, 23 and 29, are therefore also not taught or suggested by Walker for at least the reasons noted above.

To address a few other issues raised by the Office Action, regarding claims 5-6, 9-11, 16-18 and 24-26, the Office Action stated that "Walker discloses the predefined criteria includes instructions for minimizing a number of order substitutions to be performed for each customer order; the predefined criteria includes instructions for selecting for substitution order line item which have a relatively highest order quantity." There is no such discussion in Walker at all. In Walker, the user of the dispensing device requests one product. Either that product is substituted or it is not. Walker cannot minimize a number of substitutions across multiple requests for a product from a dispensing machine.

Regarding claims 12-13 and 27-28, the Office Action stated that "Walker discloses sorting the identified order line items based upon the quantity value associated with each of the identified order line items; and sorting the identified order line items based upon a number of substitutions which has already been implemented in each customer order associated with the identified order line items." Applicants respectfully disagree. Again in Walker, a customer pays for and receives one product through interaction with a dispensing machine. Walker fails to teach or suggest any sorting as one cannot sort a single product.

⁵ Col. 7, lines 50-66

103 Rejection Based on Walker and Brinkley

Claims 14, 21-22, 31-32 and 34-35 were rejected under 35 USC. 103(a) as being unpatentable over Walker in view of U.S. Patent No. 5963,919 to Brinkley et al. (hereinafter referred to as "Brinkley"). Applicants respectfully disagree with these rejections.

In general, Brinkley is on "evaluating an inventory management strategy that combines multiple management strategies in a single inventory management system."⁶ "Unlike previous systems that applied a single inventory management strategy for the entire inventory portfolio, system 100 offers an efficient and flexible way of managing inventories."⁷ "Systems consistent with the present invention, however, provide six inventory strategies that eliminate typical jargon in favor of more descriptive terminology and concepts: make-to-order, replenish-to-order, warehouse replenishment, fixed-rate supply, multi-input expert planning, and forecast optimal... Additionally, for each of the six inventory strategies, system 100 addresses four basic questions in developing an inventory management policy--Who, When, How, and How much."⁸

Brinkley then further explains the six inventory strategies. The make-to-order is appropriate "for rare demands that occur randomly. No stock is held in the warehouse and orders are manufactured as needed." The replenish-to-order is the "[o]ptimal strategy with rare demand items. Customer order interval is sometimes shorter than the supply lead time. There is a small stock in the warehouse, which is replenished as it is depleted by customer order." The warehouse replenishment is the strategy "appropriate for items that are replenished based on make-to-stock reorder point (ROP). There is a cost-optimized level of stock held in the warehouse, replenished at ROP." The fixed-rate supply is the strategy "that works well with high volume, stable demand, commodity item. Continuous production allocated as product comes off manufacturing line." The multi-input expert planning is "optimal where cost, trend, or variability of item demand justifies expert planning. While EOQ, and often forecast, implementation details are provided, user is strongly encouraged to look more closely at these items before assigning

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⁷ Col. 3, lines 53-56

any inventory strategy due to the high risk factors involved.” The forecast optimal is “[o]ptimal strategy for items having a demand history with patterns supporting statistical forecasting.”⁹

As discussed, Brinkley teaches different techniques for maintaining “just enough inventory on stock that sustains a sufficient amount of stock to satisfactorily fulfill customers’ orders without over-stocking”¹⁰ Brinkley does not teach anything related to dispensing a product from a machine, let alone substituting one product with another by the machine. Actually, Brinkley’s techniques assume products in an order to be fixed, and devise appropriately inventory management techniques based on the order. In other words, Brinkley teaches away from Applicants’ claimed invention. It is not clear how one can apply Brinkley’s techniques if products in an order are changed.

Moreover, there is no motivation to combine Brinkley with Walker. Walker is related to dispensing a product from a machine. Brinkley is related to combining multiple management strategies in a single inventory management system. There is no teaching, suggestion, or motivation to combine the references.

When a rejection depends on a combination of prior art references, there must be some teaching, suggestion, or motivation to combine the references.¹¹ “When determining the patentability of a claimed invention which combines two known elements, ‘the question is whether there is something in the prior art as a whole to suggest the desirability, and thus the obviousness, of making the combination.’”¹² “It is insufficient to establish obviousness that the separate elements of the invention existed in the prior art, absent some teaching or suggestion, in the prior art, to combine the elements.”¹³

⁸ Col. 4, lines 22-34

⁹ Col. 5, line 21 to col. 7, line 29

¹⁰ Col. 1, lines 14-16

¹¹ See *In re Geiger*, 815 F.2d 686, 688, 2 USPQ2d 1276, 1278 (Fed. Cir. 1987); see also *In re Fine*, 5 USPQ2d 1596 (Fed. Cir. 1988).

¹² See *In re Beattie*, 974 F.2d 1309, 1311-12, 24 USPQ2d 1040, 1042 (Fed. Cir. 1992) (quoting *Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co.*, 730 F.2d 1452, 1462, 221 USPQ 481, 488 (Fed. Cir. 1984))

¹³ *Arkie Lures, Inc. v. Gene Larew Tackle, Inc.*, 119 F.3d 953, 957, 43 USPQ2d 1294, 1297 (Fed. Cir. 1997).

With no teaching or suggestions to combine Walker and Brinkley to come up with the invention under Claims 14, 21-22, 31-32 and 34-35, this set of claims are further patentably distinct from both references, alone or in any combination.

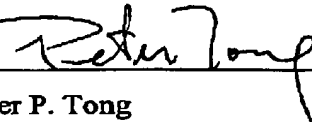
To address one additional issue, regarding claims 21-22 and 31-32, the Office Action stated that Brinkley "teaches the partially and fully substituting." Since Brinkley does not teach or suggest dispensing a product from a machine, or substituting one product with another, it is not clear how Brinkley can have any teaching or suggestions on partially or fully substituting.

Additional limitations recited in the independent claims or the dependent claims are not further discussed as the above-discussed limitations are clearly sufficient to distinguish the claimed invention from Walker and Brinkley. Thus, it is respectfully requested that the Examiner withdraw the rejections of claims 1-35 under 35 U.S.C. 102(e) and 103(a).

The remaining reference cited by the Examiner has been carefully considered. However, since it has not been applied against any of the claims and does not appear properly applicable thereto, no further mention thereof will be made.

In the event that the Examiner, upon reexamination, determines that an action other than an allowance is appropriate, the Examiner is requested and authorized to contact the undersigned prior to taking such action, if the Examiner feels that such a telephone call will advance the prosecution of the present application.

The accompanying Amendment Transmittal petitions for any extension of time which may be required to maintain the pendency of this case, and any required fee for such extension or any further fee required in connection with the filing of this Amendment.

By: 
Peter P. Tong
Registration No.: 35,757

Telephone: (650) 903-9200